

# **FISCAL MEMORANDUM**

## **SB 576 – HB 1216**

June 7, 2007

**SUMMARY OF AMENDMENT (010029):** Deletes Section 3 of the original bill which required every public employer, contractor and subcontractor to register and participate in the federal work authorization program to verify information of all new employees; required the Department of Labor and Workforce Development shall promulgate rules and regulations to ensure compliance; and required the Department of Transportation (TDOT) to promulgate rules and regulations relative to contracts for public transportation. Deletes the first section 4 of the original bill (the original bill inadvertently had two sections identified as Section 4) which created the felony offenses of labor servitude and sexual servitude. Deletes the second section 4 of the original bill which directed the Governor to designate local police officers to enforce federal immigration and customs laws.

### **FISCAL IMPACT OF ORIGINAL BILL:**

(CORRECTED)

Increase State Expenditures - \$1,071,100 Recurring  
\$14,400 One-Time  
\$65,900 Incarceration

Increase Local Govt. Expenditures – Exceeds \$1,000,000

Other Fiscal Impact – Any increase in state revenues received as a result of eliminating certain excise tax exemptions is unquantifiable because it is unknown how many exemptions for employees who are illegal immigrants are currently claimed. Any decrease in state expenditures as a result of prohibiting the delivery of certain public benefits to illegal immigrants is unquantifiable because it is unknown how many illegal immigrants currently receive such benefits. The process to determine immigrant status will lengthen the application process and could increase emergency room utilization, which does not require verification of immigrant status. This may generate some offsetting costs. Such costs are unquantifiable.

### **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Increase State Expenditures - \$270,900 Recurring**  
**\$3,100 One-Time**  
**\$13,200 Incarceration\***

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**Other Fiscal Impact – Any increase in state revenues received as a result of eliminating certain excise tax exemptions is unquantifiable because it is unknown how many exemptions for employees who are illegal immigrants are currently claimed. Any decrease in state expenditures as a result of prohibiting the delivery of certain public benefits to illegal immigrants is unquantifiable because it is unknown how many illegal immigrants currently receive such benefits. The process to determine immigrant status will lengthen the application process and could increase emergency room utilization, which does not require verification of immigrant status. This may generate some offsetting costs. Such costs are unquantifiable.**

Assumptions applied to amendment:

- The Secretary of State will need to create a new section that will require three additional positions to monitor the SAVE program (\$270,900 recurring, \$3,100 one-time).
- The offense of aggravated perjury created in the original bill is not eliminated by this amendment.
- According to the Department of Correction (DOC), the average operating cost per inmate per day for calendar year 2007 is \$60.16.
- Two offenders will serve an additional 0.3 years (an increase from a Class E at 0.3 years to a Class D at 0.6 years) for aggravated perjury. The cost per inmate at 0.3 years (109.58 days) is \$6,592.33. The cost per inmate at 0.6 years (219.15 days) is \$13,184.06. The additional cost from increasing the average sentence length from 0.3 years to 0.6 years is \$6,591.73 (\$13,184.06 - \$6,592.33). The total additional operating cost for two offenders is \$13,183.46 (\$6,591.73 x 2).

*\*Tennessee Code Annotated, Section 9-4-210, requires that: For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law. The amount appropriated from recurring revenues shall be based upon the highest cost of the next 10 years.*

## **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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